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Mzila Mthenjane

CEO Minerals Council South Africa

Day 1 sessions - Mining enabled infrastructure development

Growth is not an entitlement, and Capital Investment is not charitable giving:

Good morning, ladies and gentlemen, Distinguished Guests, Programme Director, all protocol observed and a warm welcome to guests visiting South Africa.

My name is Mzila Mthenjane – I am the CEO of the Minerals Council South Africa. A **brief description of the organisation** – we are a membership-based and advocacy organisation, representing 66 members mining more than 12 minerals and responsible for more than 90% of South Africa's mineral production by sales. Our members consist of both large multinationals and global leaders in their commodity sectors and local junior mining and exploration companies with operations in South Africa. We are also a member of MASA, the Mining Industry Association of Southern Africa, which represents 10/11 chambers of mines in the SADC region, working together to strengthen sector co-ordination and regional alignment.

At the Minerals Council, we advocate for **"Mining Matters"** and our purpose is *to champion South Africa's mining industry for investment, growth and sustainability for the benefit of all stakeholders. For the period ending 31 December 2025,*

- Mining's contribution to GDP was 6.2% (6.3% in 2024)
- Employed about 470,000 men and women (with approximately 18% - 20% being women)
- Mineral and mineral-related exports amounted to approximately R816 billion (5% growth from previous year), providing foreign exchange earnings
- Mining taxes paid to government (which includes personal income tax payments from mining employees, corporate taxes, mineral royalties and VAT) amounted to R124 billion.

Following a period of decline, this contribution reflects a stabilizing performance of the industry in the past three years. We continue to partner and work with government to address key infrastructure challenges and implement policy reforms.

We are meeting at a time of profound global economic realignment. Energy transition, digitalisation, defence, re-industrialisation, and supply-chain re-shoring are driving unprecedented demand for critical minerals — from platinum group metals, manganese, and chrome, to copper, lithium, cobalt, rare earths, and vanadium.

Africa is exceptionally well positioned because, according to the AFC's inaugural edition of the Compendium of Africa's Strategic Minerals, the continent hosts one of the world's most diversified and strategically significant mineral endowments, with an estimated US\$29.5 trillion in mine-site value – approximately 20% of the global total. Of this, US\$8.6 trillion remains undeveloped, equivalent to roughly 2.5 times the continent's annual GDP.

The continent holds an estimated 30–40% of the world's critical mineral reserves. Southern Africa alone is a global leader in platinum group metals, manganese, chrome, cobalt, and vanadium—minerals that are essential to fuel cells, batteries, grid storage, and green hydrogen.

Further, Africa stands at a pivotal moment in its development, with minerals at the heart of its transformation. The vast mineral endowment is attracting investment and could attract vastly more investment to drive the infrastructure needed to unlock long-term economic growth and social prosperity. From cross-border transport corridors to large-scale energy and water projects, social infrastructure and skills development, the link between mineral wealth and infrastructure development has never been more evident. The minerals greatest strategic importance lies in their role to support Africa's economic and social security, industrialisation, digital economies, domestic demand, and infrastructure that will transform lives and provide better livelihoods for millions of Africans.

Yet history warns us: resource endowment does not automatically translate into broad-based economic development and social progress. Hence, I say, “**Growth is not an entitlement, and Capital investment is not charitable giving**”. Much work is required to achieve Africa's ambitions for economic development and social progress. Without this work, we risk repeating a familiar pattern — exploiting natural and mineral resources, exporting unprocessed minerals, importing finished products, capturing only a fraction of the value and continue to experience social regression compared to other nations.

A wise geologist once said, “whilst it is in the ground, it is rock”. Possession of vast mineral wealth in the ground can be and is powerful. But without the appropriate infrastructure, it will have no impact above ground. In my view, this possession of minerals is most impactful when combined with love and humility, integrity and intentionality, all embodiments of a critical infrastructure that I refer to as Leadership Infrastructure.

Too often we only speak with conviction about the physical infrastructure required to enable our mineral development, such as electricity, rail and roads, water and including skills development. I'm not discounting the importance of **this** infrastructure, which is critical for economic development. We also refer passionately to the market structures, such as the Africa Continental Free Trade Agreement, that aim to drive Africa's trade not only with offshore countries, but amongst its regional countries – but we have always known this, this is nothing new. However, what remains a phenomenon is why, to this day, despite its vast mineral wealth, Africa remains underdeveloped and with undiminishing potential. Why do we not ever congregate and conference about that?

In my view my, this phenomenon is African leaders' biggest question. And so, **what is leadership infrastructure**...I'll admit that I have taken poetic license here and coined this phrase myself. For the purpose of our gathering today, I define it as those key attributes possessed, or should be possessed by our African leaders, both in the private and public sectors, to realize unprecedented economic development and social prosperity on the African continent. These attributes are: -

- *Love* – a care for the people in terms of their economic and social well-being, the natural beauty and nurture of the continent (fondly referred to the bosom of Mother Africa)
- *Humility* – to assume leadership as a privilege and service to society to drive social progress

- *Intentionality* – driven by bold action and inspired by a shared vision and mission for development and growth
- *Integrity* – engage with assertiveness, implement with vigour and guided by values and principles to benefit the nation and not oneself

Mineral endowment, nor physical infrastructure, individually and combined, will not change the fate and future of the poor on the continent and the growing cohort of unemployed youth in our countries. African leadership is faced with a duality of purpose to lead in this age of a mineral's development revolution, *firstly*, to lead and manifest the choice of peace and security, economic development and social prosperity for the continent, and *secondly*, to ensure mutually beneficial supply of the minerals required for a global energy and technology transition.

On economic development, mining in Africa can have a profound and positive impact, if it is positioned to be globally competitive to meet the needs of established and emerging commodity markets. Competition in mining is unconventional as witnessed from China, which is not simply a low-cost producer competing within conventional market logic. China's advantage has been engineered through coordinated state support, cost-curve engineering, capital mobilisation, execution speed, and market leverage. To become more competitive, Africa must determine how to play when the market leader is playing by fundamentally different terms. Africa's mineral story has too often been framed narrowly – through fragmented data, an upstream-only lens, and priorities set largely outside the continent. This has constrained investment, obscured value-addition opportunities, and limited the development of integrated regional supply chains. Fundamentally, it has limited Africa's ability to capture the full value of its mineral resources for its development.

A few examples of how other countries have positioned themselves illustrate the point of differentiation for competitiveness:

The first case is **Indonesia**. Indonesia was at risk of remaining a raw-material exporter while midstream margins stayed offshore. It responded by using the nickel ore export ban to force domestic processing and redirect investment into smelting and refining. *Policy certainty* helped crowd in large-scale FDI and joint ventures into local processing capacity. *Industrial parks* co-located mine, smelter, and port to compress *logistics* cost and ramp-up time. And captive or cluster power helped make energy-intensive conversion viable at scale. The impact was substantial: ferronickel and NPI exports rose to around **\$15 billion** in 2023 from around **\$5 billion** in 2020, nickel intermediate exports rose to around **\$7 billion** from around **\$0.8 billion**, and Indonesia established world-leading scale in nickel production.

The lesson from Indonesia is that beneficiation does not happen by accident. It requires policy certainty, clustering, and deliberate steps to crowd in capital. **How relevant is this logic for Africa? And more specifically: are there parts of the value chain where Africa should be more deliberate about, in the short, medium and long term, to force value capture onshore rather than continuing to rely on raw or semi-processed exports?**

The second case is **Kazakhstan**. Kazakhstan faced China-shaped price cycles while logistics disruption increased delivered-cost risk. Its response was not to withdraw; it chose to preserve competitiveness through the cycle. *Reinvestment* was stepped up to modernise equipment and upgrade furnaces. Integrated assets, including own power at operations, helped *reduce external power exposure*. An approximately **80 MW** ferroalloy-gas power plant was added to lower purchased electricity dependence. And logistics and continuity planning were treated as

active competitiveness levers rather than passive constraints. The result was that industrial-scale throughput was maintained — around **1.6 Mt** of ferroalloys production in 2023 — alongside company-reported best cost performance in five years despite volatility.

The lesson from Kazakhstan is that staying on the cost curve also requires a choice: reinvestment, self-help on power, and active management of logistics reliability. So the question for us is: **to what extent is this the most relevant for Africa today?** And: **if protecting and recapitalising existing beneficiation capacity is part of the answer, what would industry and government each need to do differently to make that viable?**

The third case is **Saudi Arabia**. Saudi Arabia did not compete asset by asset; it built a full aluminium *system*. A large greenfield mine-to-metal program linked mine, refinery, smelter, and rolling capacity. Rail and shared infrastructure were built alongside processing to *create an integrated cluster*. Large-scale EPC-led delivery enabled rapid execution and early production. And *decarbonisation* was built into the model early to protect long-term export competitiveness. The scale of what was built is striking: around **\$10.3 billion** deployed, approximately **740 ktpa** of greenfield aluminium capacity, and first hot metal achieved in around **29 months** from notice to proceed.

The Saudi lesson is that *competitiveness can be built through system design*: energy, infrastructure, execution speed, and clustering working together. That raises an important question of **where could a cluster-building approach/better regional integration work in our context?** And: **are there locations, regions or value chains where shared infrastructure and coordinated development could create economics that isolated assets cannot?**

The fourth case is **the United States**. The US concluded that strategic processing assets would not be rebuilt through market signals alone. It used price floors, long-duration offtakes, and public financing to make projects bankable. Government loans, equity, and financing commitments helped crowd private capital back into the chain. Upstream production was linked to downstream metal and magnet capacity to rebuild the full value chain. And the *broader policy environment* — including IRA, tariffs, and related measures — supported a wider rebuild of domestic battery and critical-minerals manufacturing. The scale is again meaningful: over **\$150 billion** of battery manufacturing investment triggered, more than **100,000 jobs** supported, more than **1,100 GWh per year** of planned battery production pipeline, and a support package of approximately **\$1.55 billion** around MP Materials.

The US lesson is that where a value chain is strategic, governments can use practical instruments to make projects financeable. So the question for this room is: **how relevant is the bankability game for Africa?** And: **are there strategic mining, beneficiation and infrastructure projects that remain unattractive to capital not because the long-term logic is weak, but because the near-term risks are too high and too concentrated?**

Taken together, these four cases make a broader point. None of these countries relied on incremental optimisation alone. Each made a conscious choice about where to play and then backed that choice with coordinated and authentic action across key fundamentals. These were leadership choices. These countries did not all respond in the same way. Indonesia chose the value-capture game. Kazakhstan chose the cost-curve preservation game. Saudi Arabia chose the cluster-building game. And the United States chose the bankability game. Africa's regions can achieve these and more outcomes at an even bigger scale. But it will require work.

The AFC's Compendium of Africa's Strategic Minerals is a deliberate effort to reframe Africa's minerals sector through an African lens – one that places infrastructure, beneficiation, and domestic demand at the centre of the analysis, and extending the reach for the African Mining Vision. Rather than treating minerals solely as export commodities, the Compendium maps their full value chains, linking reserves and production to processing capacity, transport and energy infrastructure, and regional industrial corridors. In doing so, it advances a simple but powerful proposition: Africa's mineral wealth becomes transformational when it is explicitly linked to the continent's growing demand for infrastructure, *and here I add*, driven by visionary and intentional leadership.... because, despite our mineral wealth, growth is not an entitlement, and capital investment is not charitable giving.

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